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p. 3

Four years ago, I had the honor to attend the 17th Session of the Food and Agriculture Organization as a Congressional Adviser to the U.S. Delegation. Since that time, I have watched with increased interest the work of this Organization. In these four years, there have been encouraging developments in FAO and in the world food situation. Also, and especially in the past year, the United States has reviewed its own role in relation to the world food system, to the developing world, to the problem of hunger and malnutrition, and to FAO. It is a privilege for me to represent my country at this 19th Session and to discuss with you certain changes in our own policies and in our aspirations for FAO.

First, I would like to commend FAO for its accomplishments since the last Biennial Session. Under Dr. Saouma's leadership the Organization has made important changes, particularly in strengthening development activities, in decentralizing headquarters functions, and in emphasizing immediate production problems. The United States also applauds the Organization for its expanded membership, and we salute the new members who are joining this great forum at this time. The subject of food is universal, and the national participation in FAO should reflect this universality.

Remarks by Secretary of Agriculture Bob Bergland at the 19th Session of the Food and Agriculture Organization, Rome, Italy, November 15, 1977.

In this Session the member countries can consider the intermediate and longer-run goals of FAO without the immediate pressure of world food shortages and the crisis that prevailed in our last two sessions.

In order to review the current and intended policies of the United States Government, both domestic and international, I believe it is important to understand our view of the current and prospective situation.

First, world grain production has exceeded consumption in each of the last two crop years, although it is not expected to do so this year. In any event, there is a significant increase in world carryover and a decline in prices in international markets. Thus, the air of crisis which dominated the discussions of four years ago has disappeared.

Second, despite the increased production, the number of malnourished people remains intolerably large and little progress has been made toward the goal of eliminating malnourishment in the poorest developing countries.

Third, the longer-run problem of inadequate growth rates of food production in the developing countries still remains the major challenge of our time. We expect FAO to play a major role in meeting that challenge, and I shall comment on this later.

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Fourth, most of the world has had average or better weather over the past three crop years and we know that this situation will not continue indefinitely. Thus, action must be taken to prepare for years in which the weather is less favorable.

We believe that these four facts set the context in which both our domestic food and agricultural policies and our role in international forums can be best understood. Let me now relate these to our recent and proposed actions.

The recent increases in carryover stocks combined with large crops has brought sharply lower prices on international markets for grains. Some grains are selling on world markets at or below the long-run cost of production of efficient producers. We believe that this situation if it persists will threaten the long-run production capability of world agriculture by reducing investment incentives not only in the United States and other developed countries, but even more importantly in developing countries.

To avoid these over-reactions the U.S. passed new domestic farm legislation designed to give producers protection against temporary imbalances in supply and demand. We believe that protecting the productive capacity of U.S. agriculture is a major factor in insuring world food security.

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At the same time the U.S. Government acted to take advantage of the current low prices and adequate supplies of grains by establishing a reserve program. In late August, the United States announced a comprehensive plan to place 30 to 35 million metric tons of food and feed grains in reserve prior to the beginning of the 1978/79 marketing year. This will be held in a farmer-owned reserve system which will return these products to the market if there is a crop shortfall which leads to higher prices.

Our program includes creation of a special international food reserve of up to 6 million tons of wheat to insure that our current and special food aid commitments can be met.

We are taking active leadership in a proposed new international wheat agreement which would establish an internationally coordinated system of national reserve stocks to reduce the excessive swings in world market prices and extend world food security. We have recommended a strengthened food aid convention within that agreement, with provisions to insure that food aid quantities can be increased in response to unusual needs. In particular we have advocated that donor countries should take steps to improve their capacity to maintain food aid flows during periods of high prices and to provide food aid in response to acute production shortfalls in developing countries. We strongly urge that all nations join us in our attempt to bring these discussions to a rapid and successful conclusion.

One final point regarding our domestic policy actions which may have been inadequately understood by many other nations. In late August, the U.S. Government requested its wheat producers to reduce plantings for the 1978/79 crop. We calculate it will result in a 8 to 10 percent actual decrease in production. This was done in the context of our view of need for a temporary adjustment in world food grain production.

We have also announced plans for a modest reduction in our feed grain production. However, recognizing the uncertainty of world production, these plans will undergo a complete review before a final decision is made.

These actions were taken only after careful estimation that world supplies would be adequate at reasonable prices, and after insuring that reserves would be established to insure against possible crop shortfalls in the coming year.

The actions I have described are immediate initiatives designed to be consistent with the long-run needs of the world. I should like to turn now to these long-run needs and our view of FAO's role regarding them.

The continued need for improved nutrition and sustained higher rates of food production in most developing countries cannot be questioned. Among the key elements required to achieve these goals is a substantially higher level of investment in various aspects of agricultural production and marketing in the developing countries.

There are several aspects of this investment which deserve attention.

One aspect is the need for greater investment in the traditional infrastructure needed to improve agricultural productivity--irrigation and drainage facilities, land improvement, etc. This form of investment will require both increased external resources and increased internal efforts. Regarding the latter, the importance of adequate incentives to producers in generating such internal policies may well offset the effects of increased external investment flows.

A second type of investment required is a sustained investment in the production of new knowledge and production techniques applicable to the conditions of individual developing countries. Similar need exists regarding better methods of harvesting, marketing, and storage necessary to reduce harvest and post-harvest losses.

A third and most important type of investment needed is greater investment in farm and rural people. They must have improved health and nutrition in order to improve their well-being and productivity, and, they must have greater knowledge of improved production, marketing, and other techniques.

The U.S. is moving actively to support these needs on several fronts.

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U.S. contributions to international development lending institutions will be up more than double in 1978 compared with 1976, and much of this will be concessional monies. For example, the United States has ratified the fifth replenishment of the International Development Association (IDA), which is the World Bank's concessional lending program, and will be making an \$800 million contribution to the IDA. The total IDA replenishment amounts to \$7.6 billion over the next three years. Since IDA disburses about 30 percent of its funds for food and agricultural projects in most needy countries, this could mean some \$750 million in new commitments--up from \$420 million in IDA monies for agricultural development to these countries in 1976. The United States will also fully support the regional banks.

The U.S. has deposited the instruments of ratification of the International Fund for Agricultural Development. We anticipate that IFAD will be operational by the end of this year and will begin making disbursements for food and agricultural projects on concessional terms to food priority countries.

Our bilateral technical assistance programs will be substantially increased in 1978--about \$50 million over the \$536 million we had appropriated in 1976 and 1977. A substantial increase is earmarked for the Sahel region in Africa.

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Major changes have been made in our food aid program know as P.L. 480. Commodity commitments under Title II--the donation provisions of the Law--have been increased in favor of the most vulnerable populations of the most needy nations, thus increasing our investment in improved nutrition. In addition, a new Title III using food for development was added to encourage recipient nations to increase their agricultural development and economic programs including nutritional programs on a long-term basis. We believe that long-term food-for-development programs can provide significant assistance in helping developing countries mobilize greater investment in several of the areas I have mentioned.

The United States is deeply interested in all these investment programs because, without adequate investment in all aspects of food and agriculture, the prospects of reducing malnutrition and meeting the food needs of most developing countries would have little chance of long-term success. Thus, the projected increases in the various U.S. investment efforts are earmarked for countries most in need.

All of these efforts recognize the need for greater food production in the developing countries. It is equally important, however, that greater incomes be generated in order that people can obtain the food once it is available. This

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requires programs in employment and rural development. For this reason we support the aims of the proposed Conference on Agrarian Reform and Rural Development and hope that it can be sharply focused on issues crucial to solutions of these problems.

In Manila, we told the World Food Council that the United States is moving more positively to aid the developing countries in their search for a solution to their food problems. The programs I have just now enumerated are indications of how the United States means to back up those statements. We have turned away from policies that were too often passive and sometimes actually negative. We have established for ourselves a new set of goals, some new priorities, and a new level of commitment.

We now want to take the additional step of relating our goals on these matters to our hopes for FAO programs. We want to suggest our expectations with respect to FAO. The challenge facing us in food and agriculture is too large for any single organization to undertake. It is important that together we define and maintain a clear view of the role of FAO. I can begin by saying that, in our view, among U.S. specialized agencies the FAO should exercise the leading international role in combatting hunger and malnutrition.

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We believe FAO activities should be directed principally to agricultural development and the eradication of hunger in developing countries. Concern for freedom from hunger--the right to food--should become the overwhelming concern of FAO and, therefore its operations should reflect this priority. Thus, the U.S. is prepared to give major support to FAO in giving international leadership to:

--Efforts of international organizations and all countries to relieve hunger among the people most in need of FAO's assistance to accomplish this task;

--Facilitating the flow of developmental resources, especially in those countries most in need of assistance;

--Utilization of various development resources in ways which facilitate the access of the hungry to food.

FAO should concentrate more of its resources in food production and consumption problems of developing countries. In this process, emphasis should be placed on facilitating access to food by the poor of the developing countries and particularly those in the poorest of these countries. FAO should develop policies and programs to increase food production in a way that will have a direct impact on human nutrition, improve marketing and consumption practices, and attain more equitable distribution.

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Even this set of priorities will require that FAO continue to have a broad range of concerns and we suggest that an even sharper focus be given within these programs. Our strong support for the new post-harvest loss program is predicated on the assumption that it will be a definable program focused upon countries where need is greatest and prospects for significant improvements are high.

We will continue to support programs on improved land and water use, linking available technology and its users, investment planning, and nutrition monitoring and planning. The singling out of these is not meant to exclude others but to indicate our belief that the acute and growing problem of world hunger and malnutrition requires that FAO redirect its programs and activities to deal with those problems.

Thus, the United States will look to other international organizations for primary leadership on certain commodity problems--organizations such as the International Wheat Council, the General Agreement on Tariffs and Trade, and the United Nations Conference on Trade and Development. We would look to still others, the World Bank and IFAD, for example, for mobilization and disbursement of financial resources which are channeled through multilateral agencies.

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FAO has a magnificent record of achievement in the more than 30 years of its existence. President Carter and we who serve with him in the U.S. Government are pledged to the fullest and most earnest support of this Organization. Like each of you, we recognize the urgency of the job with which we are charged--to reduce hunger and malnutrition and to build food security throughout the world. Like each of you, we want to get on speedily with this enormous but rewarding task. We welcome the opportunity to work with each of you, with each of your governments, in advancing the goals of this great Organization.

Let us move forward together.

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